

The Retirement Connection

A newsletter for retired New Hampshire Retirement System members • Summer 2001 • Number 3



3½% COST-OF-LIVING ADJUSTMENT

Effective July 1, 2001

When cost-of-living adjustments (COLAs) are granted by the Fiscal Committee of the New Hampshire Legislature, they become a permanent addition to a retired member's pension.

As of July 1, 2001, NHRS members who have been retired for at least 12 months will receive a 3½% COLA. The COLA will be retroactive to the member's most recent retirement anniversary date. Any beneficiary of such a member is also eligible. The COLA and any retroactive payment will be included in the July pension check issued on July 31, 2001.

For example, a member who retired on July 1, 2000 will be eligible for the 3½% COLA and will see the increase in the July pension check. This member will not receive a retroactive payment because July is the member's retirement anniversary date.

A member who retired on March 1, 2000 has been retired for 16 months. Effective July 1, 2001, that member is eligible for the 3½% COLA. That member's July pension check will include the COLA as well as a *one-time retroactive payment* of the COLA back to March 1, 2001, which is that member's most recent retirement anniversary date.

Note: some retired members who receive COLAs may still not have an increase in their total benefit. Some medical insurance premiums have increased faster than the increase in the medical subsidy and the COLA. Therefore, members who have a deduction for medical insurance may not see an increase in their benefit. Changes in federal withholding taxes can be another reason for benefits to be less than expected.

If you have questions regarding COLAs, please contact an annuity representative at NHRS at (603) 271-3351 or toll free at 1-877-917-NHRS(6477).

Legislature establishes a minimum pension for certain Group I members

Effective July 1, 2001, Group I members who retired prior to July 1, 1991 on service or disability retirement with at least 20 years of creditable service will receive a minimum annual pension of \$8500.

Retirees whose pensions are less than \$8500 a year will receive a supplemental allowance to bring them up to the minimum level. For surviving beneficiaries, the change will be applied proportionally based upon the optional benefit selected by the member at the time of retirement.

The first installment of the new pension level will be included in the July pension checks.

Note: HB 477-FN allows this minimum benefit for those who retired on service or disability retirement, *not* on vested deferred or early service retirement.

“The check is in the mail” UNLESS . . .

you arrange for electronic direct deposit!

Direct deposit is guaranteed, safe and dependable. It is also faster. NHRS pension checks are issued on the *last business day* of each month. For example, your July 2001 pension check will be issued on Tuesday, July 31. With electronic direct deposit your funds will be transferred to your account that same day. To arrange for convenient electronic direct deposit, contact an NHRS annuity representative at extension 244, **or** download the application off of our web site, www.state.nh.us/retirement.

To change your name or address: NHRS must have the information in writing. Please call NHRS to request a form, or download the form from the NHRS web site, www.state.nh.us/retirement.

MEDICAL SUBSIDY UPDATES

The medical insurance subsidy is a payment made by NHRS to the former employer or the employer's health care administrator, on behalf of the qualified retired member, his or her qualified spouse, and qualified disabled dependent children.

Eligibility for the medical subsidy

Group I: members who retired on service, ordinary disability or vested deferred retirement with at least 20 years of creditable service are eligible for the medical subsidy at age 60; members with at least 30 years of service are eligible at 55. (out-of-state service cannot be counted) Those retiring on accidental disability have no minimum service requirement.

Group II: members who retired on service, or disability retirement. (Vested deferred retirees are not eligible.) The member must have been eligible to retire based on Group II service only.

Retirees not currently on their former employer's health plan may join the plan in order to get the medical subsidy benefit.

IMPORTANT: If you become divorced you must notify your former employer of the change in status of your

eligibility for the medical subsidy. NHRS reserves the right to recover any subsidy amounts paid on behalf of a divorced spouse.

In accordance with the provisions of RSA 100 A:52, the subsidy payable by NHRS toward the health insurance premium is increasing by 8%. Effective July 1, 2001 the rates will be:

Type of Plan	7/1/01-6/30/02
1 Person	\$236.67
2 Person	\$473.34
1 Person-Medicare Supplement	\$149.25
2 Person-Medicare Supplement	\$298.50

Note: NHRS retirees include many married couples who are both retired from public employment – if you and your spouse are both receiving an NHRS pension and both of you are subsidy eligible, please call the NHRS Annuity Division to assure you are receiving the maximum subsidy allowable.

Retired state employees: Health insurance for state employees is governed by RSA 21-I:30, which provides full coverage for eligible retirees.

How to reach the right extension for assistance in the NHRS Annuity Division

Dial the main number: (603) 271-3351 or toll free 1-877-917-6477. When you get the recording you may press:
244 for electronic direct deposit
240 or 241 for other retiree inquiries or press "O" and the receptionist will direct your call.
To reach the NHRS Public Information Office, call ext. 252.

This issue of the Retirement Connection provides general information available as of June 15, 2001, for retired employee, teacher, firefighter and police officer members of NHRS. Retired members are encouraged to contact an NHRS representative with specific questions. In the event of any conflict between this publication and the laws, rules and regulations that govern NHRS, the laws, rules and regulations will prevail.

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